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EXAMINER
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PATEL, JAGDISH

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 03/12/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/488,107

Applicant(s)

FRISS ET AL.

Examiner

JAGDISH N PATEL

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 29 December 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 34-38, 41, 43-52, 54-57 and 59-141 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 34-38, 41, 43-52, 54-57 and 59-141 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: \_\_\_\_\_

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#### DETAILED ACTION

1. This communication is in response to appeal brief filed 1/29/03.

In view of the appeal brief filed on 12/29/03, new grounds of rejection are set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

(1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,

(2) request reinstatement of the appeal.

If reinstatement of the appeal is requested, such request must be accompanied by a supplemental appeal brief, but no new amendments, affidavits (37 CFR 1.130, 1.131 or 1.132) or other evidence are permitted. See 37 CFR 1.193(b)(2).

#### *Status of the Application*

2. Claims 34-38, 41, 43-52, 54-57 and 59-141 are currently pending of all claims have been appealed.

3. The examiner has clarified the pertinence of the applied reference(s), objected to claims dependent on canceled claim, added new rejection of certain claims under 112(second) and presented rejection of certain claims on new grounds not included in previous office action. Accordingly, this office action is made a non-final action.

#### *Statute Cited in Prior Action*

4. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

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***Claim Objections***

5. Claims 34, 36, 39, 40, 46 and 104-105 are objected to because of the following reasons.

6. Claims 39, 40 and 46 are objected as being dependent on canceled claim 33 and have not been considered for examination. Note that claims 33-69 were added in response to Amendment A (paper 8) and subsequently claim 33 was canceled in response to Amendment C (paper 15). However, aforementioned claims were not canceled in the respective amendment.

7. claims 34, 36 state "step b)" of claim 71 as "offering" step which should properly read as "step a)".

8. claims 104 and 105 states "step c)" of claim 71 as "maintains" step , which should properly read as "step e)".

***Specification***

9. The specification is objected to under 35 U.S.C. § 112, first paragraph, as failing to support the subject matter set forth in the claims 62-69 and 108-114. The specification, as originally filed does not provide support for the invention as now claimed.

The test to be applied under the written description portion of 35 U.S.C. § 112, first paragraph, is whether the disclosure of the application as originally filed reasonably conveys to the artisan that the inventor had possession at that time of later claimed subject matter. Vas-Cat, Inc. v. Mahurkar,

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935 F. 2d 1555, 1565, 19 USPQ2d 111, 1118 (Fed. Cir. 1991),  
reh'rg denied (Fed. Cir. July 8, 1991) and reh'rg, en banc,  
denied (Fed. Cir. July 29, 1991).

Claim 62 recites limitation that states in part:

Communicating a message..a message prompting such  
purchasers to effect selected of the following:

i) to keep their purchased uncirculated identified  
collectibles in the protective environment,

ii) offer for sale on the secondary market to  
prospective purchasers the uncirculated identified collectibles  
that has been purchased..,

iii) forward the identified uncirculated collectibles  
to the ..purchasers.

10. The specification teaches at p. 13 L 1-20 the following  
"notices are transmitted in step 126, typically via the  
Internet, to each of the successful purchasers informing them  
that they had winning orders and the number of cards 40  
allocated to each. ..further, these notices also inform the  
purchasers of their options to have the awarded cards 40 sent to  
them or, at their choice, to escrow the purchased cards 40 with  
the purchasing administrator or another escrow agent." As  
pointed out by the applicant, the specification further  
discloses: At page 13, lines 24 and 25 "The escrowed cards  
40 are stored in a benign environment to protect the condition  
of the cards";

(this section fails to disclose that the message (notice)  
allows the purchaser to select the option of (1) awarded cards  
sent to them or (2) escrow the purchased cards. There is no  
disclosure of the purchaser receiving message that would prompt  
the purchaser to select the option of keeping their collectibles

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in the protective environment because purchaser is not informed in any way how the escrowed collectibles (cards) are stored)

11. Furthermore, as the applicant points out the specification at p. 14 lines 12-16 states "If the purchaser has escrowed the cards 40 , the steps download a web page (not shown) to ask his purchaser whether he/she wishes to sell any of his escrowed cards..", and at page 14 lines 19-24, " After initiating a resale of the escrowed cards 40 in a start step 140... step 141 downloads a web page 24(not shown)bearing a form to be completed by the primary purchaser, now the card holder and the seller, authorizing the purchasing administrator to resell his/her escrowed cards 40 on a secondary market in the form of a 'trading floor' or secondary offering for sale.."

(note that the purchaser without downloading the web page would not be able to exercise option ii) of claim 2 which provides for "offer for sale in the secondary market". Claim 62 requires this option be provided as a part of the communicated message (i.e. the notice previously discussed). Therefore it is evident that the message per disclosure does not include this option.)

12. Based upon the foregoing explanation it concluded that the applicant's arguments concerning objection to the specification under 35 U.S.C. § 112, first paragraph not providing support for the invention as now claimed (claim 62 and dependent claims 63-69) are not persuasive and hence the rejection is maintained.

13. Based upon the aforementioned citing of the disclosure, it is asserted that the specification lacks teaching of communicating a message giving the selected purchaser the choice

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to maintain the condition of the collectible by placing it either in the protective casing or the benign environment as per claims 108 and 109. The message disclosed in the specification only informs the purchasers their options to have the awarded cards sent to them or to escrow the purchased cards (p. 13 lines 26 and 27, the purchaser is not notified as to where the escrowed cards are stored). Therefore, the applicant's arguments concerning objection to the specification under 35 U.S.C. § 112, first paragraph not providing support for the invention as now claimed (claim 108 and 109) are not persuasive and hence the rejection is maintained.

Claim 110 and dependent claims 111-114 recite limitation ..a server being programmed to "store the determined condition of the collectibles that are offered for sale;". As asserted by the applicant this limitation is disclosed at page 13, lines 11-17 as explained with respect to discussion of Figure 5. The disclosure teaches that the purchaser history database 28 is updated at step 130 to indicate that the cards have been delivered to the purchaser. There is no teaching of the database 28 being updated to "store the determined condition of the collectible that are offered for sale" as recited in limitation a) of claim 110. The specification teaches that the indication of condition of cards is provided via a temper-evident case (p. 13 L 14-20) Please note lines 18-20 which reads "If it was apparent that the case was still in tact, then there is a strong indication that the cards 40 are in "mint" condition.."

Therefore, the applicant's arguments concerning objection to the specification under 35 U.S.C. § 112, first paragraph not providing support for the invention as now claimed (claims 110-114) are not persuasive and hence the rejection is maintained.

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*Claim Rejections - 35 USC § 112*

14. The following is a quotation of the first paragraph of 35

U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

15. Claims 62-69 and 108-114 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. See explanation under Specification.

16. Claims 71-72, 34-38, 41, 43-45, 47-48 37, 44, 45, 48, 74-76, 77-95, 102-103, 115-141, 49-52, 54-57 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 72 recites the limitation "the number of ordered collectibles" in line 2 and "the predetermined number" . There is insufficient antecedent basis for this limitation in the



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claim. Claims 41, 43-45, 47-48 depend on claim 72, therefore include same deficiency.

Claims 37 and 38 recite the limitation "said secondary market" in line 2.. There is insufficient antecedent basis for this limitation in the claim. Neither claim 36 nor claim 71 recite this limitation.

Claim 71 recites limitation e) as "maintaining the condition of collectibles during step a), b) and c)..". This step renders the claim indefinite because there is no positive functional relationship of this step to steps a)-c). The steps performed by computer could be carried out regardless whether the condition of the collectibles are maintained or not. Also recitation of "the issuer may guarantee the condition" renders the claim indefinite because it only constitute a possibility that the condition is guaranteed.

This analysis is also applicable to independent claims 77, 102 and 115 as they also recite limitation "maintaining the condition of collectibles during step.." similar to the limitation of claim 71.

This analysis is also applicable to independent claims 120-122 as they also recite limitation "determining the predetermined condition."

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Dependent claims 72, 41, 43-45, 47-48, 34-38 and 78-95, 103-109 also inherit same deficiency as respective parent claim.

Claims 74-76 are indefinite as failing to limit the programmed process steps a)- c) of the server memory. As an example claim 74 recites "wherein the collectibles comprise trading cards". This limitation fails to further limit the step a), "store..an indication of the predetermined condition of the.. collectibles" because the function of storing is performed regardless of the type of the collectibles or the condition of the collectibles. In other words, claims 74-76 are not functionally related to independent claim 73 and therefore rendered indefinite.

Dependent Claims 79, 99, 100, 101 also contain similar deficiency as claims 74-76.

Claim 115-118 recite limitation "predetermined condition" does not functionally relate to the steps a)-c). In other words the offering of the collectible, effecting the sale and receiving a request do not functionally depend on the predetermined condition as per the recitation of the claim. Accordingly no patentable consideration is given to these limitations for claim analysis.

Similar analysis also applies to limitation "given condition" as recited in claims 119-122.

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*Claim Rejections - 35 USC § 102*

17. Claims 71-72, 34-38, 44-48, 77-81, 86-95, 73-61, 96-103, 110-141, 49-52 and 54-57 are rejected under 35 U.S.C. 102(e) as being anticipated by Woolston (US 6,266,651).

18. Claim 71: Woolston teaches a method of facilitating an issuer of collectibles for sale, each collectibles having a predetermined condition ("computerized market", abstract), said method comprising steps of:

a) initially offering for sale the collectibles to potential purchasers for a period of time set by the issuer (per Woolston, offering of collectibles is communicated by a consignment node to potential purchasers col. 2 electronic markets for collectible goods, as disclosed in col. 5 and 6 in auction mode a pawn shop operator offers to potential purchasers several Rolex watches in an auction for a predetermined time set by the operator);

b) receiving orders from the ordering purchasers (...col. 5 and 6, receiving bids from the ordering purchasers).

step c) allocating the offered collectibles among selected of the ordering potential customers (col. 6 L 27-37 consignment node mode electronically scans..the participants for bids and accepts highest bid.. the consignment node repeats this process until no higher bid is received, this recitation clearly teaches that the offered collectibles are allocated to highest bidders in order the bids are received)

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Woolston teaches step e) maintaining condition of the collectibles .. (col. 17 L 60 - col. 18 L 5, ..hold the good for a predetermined time and/or ship the good to a long term storage faculty). (noting that this limitation has no functional relationship to steps (a)- (c) and as such treated as "non functional descriptive material", see also 112 (second) rejection of the claim).

c) facilitating steps a)-c) by a programmed computer (see Figures 1-3 which depict implementation of the method).

Claim 72. refer to discussion of allocation of collectibles above.

Claim 34. wherein step b) offers an initial offering of collectibles, and there is further included the step of offering for sale selected of the allocated collectibles on a secondary market at the direction of the purchasers of the allocated collectibles (col. 6 L 41-44, noting that the successful purchaser may offer the purchased goods to other purchasers, this is secondary market, it is also asserted that as explained above this offering is also extended to more than one collectibles (Rolex watches)).

Claim 35. Wherein the collectibles comprise trading cards (collectibles include trading cards).

Claims 36-38. wherein said offering of step b) is carried out for a first selected, predetermined period of time, said secondary market is carried out for a second selected period of time, said second period of time is greater than said first period of time (the first and second predetermined period of

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time may be set by the operators of the consignment node (administrators) per their choice, see col. 6 "predetermined amount of time").

Claims 39-40 and 42 have been canceled.

Claim 44 and 45. wherein there is further included the step of providing lots of the collectibles for offering for sale (lots of collectibles are not patentably distinguishable from collectibles, therefore, analysis of claim 71 is applicable to these claims).

Claim 46. not considered. (see claim objection)

Claim 47 and 48. wherein there is further included the steps of providing a purchaser history database for keeping a record of each purchaser that has placed an order in the course of said initial offering of the collectibles for sale, and updating data indicative of each collectible held in escrow in that record of the purchaser holding the escrowed collectible ( col. 5 L 18-45, col. 6 L 45-51, refer to features of the data records).

**19. Claim 73.** Woolston teaches a server (Figure 1, computer 10) designed to support an initial offering by an issuer of collectibles of a limited number of the collectibles via a plurality of remote terminals, each remote terminal operable by a potential purchaser (participant terminals 28) to transmit over a network to said server at least one order for the purchase of collectibles being offered for sale (electronic

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markets for collectibles, col. 2 L 32-36), said server having a memory and being programmed to:

a) store in said memory an indication of the predetermined condition of each of, the price of each of and the limited number of the collectibles (data record for the good for sale (col. 9 L 65- col. 10 L 2) include information on a good or collectible which inherently include condition of a collectible, since condition of a collectible is essential to a potential purchaser, refer to col. 3 L 57- col. 4 L 10, "condition of the card" it is anticipated that Woolston's data record comprises a plurality of collectibles as discussed in claim 71 analysis);

b) transmit to the plurality of remote terminals at least one offer for sale of the limited number of collectibles, the one offer having an indication of the predetermined condition of the one collectible, whereby at least first and second potential purchasers are enabled to actuate its remote terminal to transmit at least first and second orders for the one collectible to said server (data record for the good, include "condition" of the collectible (see col. 3 L 61- col. 4 L 2) potential purchasers are participants 28, col. 13 L 45-57, refer also to analysis of claim 71 step a)); and

Woolston teaches step c) to the extent that it creates a record in said memory for the successful purchaser (col. 19, database server 806 .. structured to for-sale database 814 and sold database 816), Woolston teaches a process to allocate at least one of the limited number of collectibles among selected of the first and second potential purchasers as a part of this process step (col. 6 L 27-41) refer to allocation of collectibles (Rolex watches) to highest bidders)

Claims 74-76. wherein the collectibles comprise trading cards; ..in mint condition; uncalculated trading cards (Woolston collectibles, col. 2 L 30-35 "Collectible goods").

Claims 59 and 60. wherein said server is programmed to respond to each order received from one of the purchasers to update said record of the one purchaser (inherent to sold database 816, shipped database 820 col. 19 L 36-46), refer to analysis provided in paper 9 for these claims).

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Claim 61. refer to analysis of claims 46 and 47 above.

**20. Claim 77.** Woolston teaches a method for sale of collectibles of a predetermined condition on a primary market and on a secondary market, said method comprising the steps of.

a) offering for sale to one or more prospective purchasers an initial placement of one or more selected collectibles on the primary market (as disclosed in col. 5 and 6 in auction mode a pawn shop operator offers to potential purchasers several Rolex watches in an auction for a predetermined time set by the operator, this offering constitute a primary market where the pawn shop operator offers the collectible watches in an initial placement);

b) receiving orders from prospective purchasers on selected of the collectibles and allocating the one or more selected collectibles to one more purchasers (col. 5 and 6, receiving bids from the ordering purchasers, and col. 6 L 27-37 consignment node mode electronically scans..the participants for bids and accepts highest bid.. the consignment node repeats this process until no higher bid is received, this recitation clearly teaches that the offered collectibles are allocated to highest bidders in order the bids are received)

c) offering for sale at the direction of the one successful purchaser selected of the allocated collectibles on a secondary market (col. 6 L 25-41 "post a new participant defined offer", it is anticipated that Woolston allows the participants which are allocated the Rolex watches may elect to post them in a secondary market for sale to other participants or shops); and

d) maintaining the predetermined condition of the collectibles during steps a), b) and c), whereby the allocated collectibles are of the predetermined condition (col. 17 L 66 - col. 18 L 5, "long term storage facility"); and

e) facilitating steps a)-c) by a programmed computer (see Figures 1-3 which depict implementation of the method).

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Claim 78. limiting the number of collectibles of one kind to be offered for sale on the primary market (refer to "several Rolex watches" in the example of the Auction at col. 5 and 6).

Claim 79. wherein the collectibles comprise trading cards (inherently collectibles comprise any good of tangible value including trading cards). (see also 112(second) rejection).

Claim 80. said offering for sale on the primary market is carried out for a selected, predetermined period of time (see col. 6 L 34+ "predetermined amount of time").

Claim 81. predetermining said number of collectibles to be offered for sale on the primary market before said step a) of offering for sale on said primary market begins (col. 5 and 6, the pawn shop operator ..may have several Rolex watches he wishes to auction).

Claims 86-87. wherein there is further included the step of providing lots of the collectibles for offering for sale on the primary market (lots of collectibles is not patentably distinguishable and is inherently covered by Woolston, as an example the Rolex watches may auctioned as lots of one or more quantity).

Claim 88. there is further provided the step of enabling the one successful purchaser of collectibles on the primary market to elect to have an offering for sale or to facilitate an administrator to hold its purchased collectibles in escrow (col. 5 L 18-25 and col. 12 L 59-66, "it is understood that the purchasing participant may elect to leave the good at the consignment node or post a new offer..").

Claim 89. wherein the administrator holds the purchased collectibles of the successful purchasers in a benign environment (col. 17 L 66 - col. 18 L 5, "ship the good to a long term storage facility").

Claim 90. wherein the one successful purchaser elects to offer for sale its purchased collectibles on the secondary market(col. 5 L 18-25 and col. 12 L 59-66, it is understood that the purchasing participant may elect to leave the good at the consignment node or post a new offer..).



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Claim 91. wherein the enabling step enables the one successful purchaser to request the administrator to deliver the purchased collectibles to the corresponding one successful purchaser (Fig. 7 block 414, "shipping").

Claim 92. there is further included the steps of providing a purchaser history database for keeping a record of each purchaser that has placed an order in the course of said offering for sale on said primary market, and updating data indicative of each collectible and held in escrow in that record of the purchaser holding the escrowed collectible (refer to col. 14 L 57-63, "sold database" and "account database" in view of "bailee relationship" discussed at col. 17 L 55- end).

Claim 93. purchaser's orders received in step b) includes a number of the collectibles wanted by the purchaser (inherent to purchase order of goods).

Claim 94. there is further included the step of predefining the number of collectibles before carrying out said step of offering for sale on the primary market (col. 9 L 66- col. 10 L 2 posting 200..to create a data record for new good (collectible)..).

Claim 95. there is further included the step of providing a purchaser history database for keeping a record for each purchaser that has placed an order in the course of said offering for sale on the primary market, and updating for each order data indicative of said number of collectibles in that record of the purchaser placing that order (col. 14 L 57-63, database of goods for sale).

21. Claim 96. Woolston teaches a method of facilitating an issuer of collectibles to manage an initial offering for the sale of a limited number of the collectibles of a predetermined condition, said method implemented by a computer programmed to effect the steps of:

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a) storing in a memory the determined condition of and the limited number of the collectibles (col. 5 and 6, limited number of Rolex watches are auctioned by a pawnshop operator of a consignment node, the watch records include condition because the condition of the Rolex watches (subjective information such as condition) is stored in consignment node database, see col. 3 L 61+ );

b) communicating to potential purchasers a message offering to sell the collectibles and specifying the determined condition and the limited number of collectibles offered for sale (since the pawnshop operator of a consignment node auctions several Rolex watches, he advertises this information including items being auctioned to prospective per col. 6 L 3-6)

c) receiving orders from the ordering potential purchasers(col. 6 L 21+ refer to bids received from the participants.);

d) allocating the offered collectibles among selected of the ordering potential customers (col. 6 L 27-37 consignment node mode electronically scans..the participants for bids and accepts highest bid.. the consignment node repeats this process until no higher bid is received, this recitation clearly teaches that the offered collectibles are allocated to highest bidders in order the bids are received)

Claims 97 and 98. wherein there is further included the step of creating a record in the memory for each successful purchaser to which collectibles were allocated., storing the determined condition of the collectibles (sold database col. 14 L 57-63).

Claims 99-101. collectibles comprise trading cards (trading cards broadly treated as collectibles).

**22. Claim 102:** Woolston teaches a method of facilitating an issuer of collectibles to manage ..the sale of collectibles of a predetermined condition ("computerized market", abstract), said method comprising steps of:

a) offering for sale the collectibles (per Woolston, offering of collectibles is communicated by a consignment node

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to potential purchasers col. 2 electronic markets for collectible goods, as disclosed in col. 5 and 6 in auction mode a pawn shop operator offers to potential purchasers several Rolex watches in an auction for a predetermined time set by the operator);

b) allocating selected of the offered collectibles to selected of the potential customers (selected Rolex watches are allocated via the auction conducted by the pawn shop col. 6 L 27-37 consignment node mode electronically scans..the participants for bids and accepts highest bid.. the consignment node repeats this process until no higher bid is received, this recitation clearly teaches that the selected collectibles are allocated to customers (selected as) highest bidders in order the bids are received);

c) creating for each of the selected purchasers a record (refer to section "the Sale" at col. 4+);

d) implementing each of steps a)-c) by a programmed computer (see Figures 1-3 which depict implementation of the method).

e) maintaining condition of the collectibles .. (col. 17 L 60 - col. 18 L 5, ..hold the good for a predetermined time and/or ship the good to a long term storage faculty). (noting that this limitation has no functional relationship to steps (a)- (c) and as such treated as "non functional limitation", see also 112 (second) rejection of the claim).

Claim 103 storing the predetermined condition of the collectibles.. (Fig. 13, section 956 "condition", col. 3 L 61-66, condition of the card);

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23. Claims 110. Woolston teaches a server for facilitating an issuer of collectibles to manage an initial offering of the collectibles of a determined condition for sale, said server having a memory and being programmed to:

(REFER TO Fig. 1, computer 10, network, participant terminal 28)

a) store the determined condition of the collectibles that are offered for sale (Fig. 13, section 956 "condition", col. 3 L 61-66, condition of the card);

b) transmit over a network from the server to selected of a plurality of potential purchaser stations an initial offering for a predetermined time of a limited number of the collectibles for sale and bearing an indication of the condition of the collectibles (col. 5 L 65+ identifies the Rolex watches as a collectible, to prospective participants for a predetermined amount of time, col. 6, see auction process );

d) allocating in response to orders selected of the collectibles ordering potential customers (col. 6 L 27-37 consignment node mode electronically scans..the participants for bids and accepts highest bid.. the consignment node repeats this process until no higher bid is received, this recitation clearly teaches that the offered collectibles are allocated to highest bidders in order the bids are received)

Claim 111. wherein the server is further programmed to facilitate an administrator to maintain at least the limited number of collectibles in the determined condition during the offering for sale of the collectibles, and the message comprises a guarantee made by the administrator that the limited number of collectibles initially offered for sale are of the determined condition indicated by the message (col. 6 "may elect direct delivery of the goods", the administrator is the pawn shop owner).

Claim 112. wherein the server is further programmed to store the number of the collectibles allocated to a selected purchaser into the record of that purchaser (refer to Fig. 12 Sold and Shipped database server).

Claim 113. wherein the server is programmed to receive and process commands from the selected purchasers to which at least one collectible was allocated to place its allocated one

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collectible for sale to other potential purchasers (col. 12 L 59-66, re-post and col. 6 L 41-44 "post the good on the electronic market at a new participant determined price").

Claim 114. wherein the server is programmed to receive a command from the one selected purchaser to which the one collectible was allocated to transmit the allocated collectible to the selected purchaser in a protective case, whereby the condition of the allocated collectible is maintained (inherent to shipment as discussed col. 12 L 56-59).

**24. Claim 115.** Woolston teaches a method of facilitating an issuer of collectibles to manage the sale and distribution of at least one collectible from a source to at least one purchaser, said method comprising the steps of

a) offering the one collectible of a predetermined condition for sale (refer to claim 71 limitation a));

b) effecting the sale of the one collectible of the determined condition to the one purchaser (refer to claim 77 limitations a) and b));

c) and f) receiving a request of the one purchaser to distribute from the source its one sold collectible and responding to the request by encapsulating the one sold collectible, whereby the determined condition of the one sold collectible is continued to be maintained (col. 12 L 56-59, the participant elects to ship goods..., encapsulating is a choice of the seller for shipping);

d) maintaining the predetermined condition of the one collectible at least during steps a) and b) until the one collectible is encapsulated, whereby the issuer is enabled to guarantee the condition of the encapsulated collectible (inherent feature of Woolston because the issuer is a reputable entity, it is a well known practice to enabled to guarantee the condition of the collectibles) ;

e) said steps a) - c) being implemented by a programmed computer (discussed in previous claims analysis).

Claim 116. wherein the step d) of maintaining keeps the plurality of collectibles at the source in a protective environment, whereby their conditions are maintained (long term storage, col. 17 L 60 - col. 18 L 5).

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Claim 117. wherein the request of the one purchaser alternatively directs that the one sold collectible be distributed from the source to the one purchaser or the sold collectible is kept in its determined condition at the source (col. 12 L 59-66, leave the good at the consignment node).

Claim 118. further including the step of alternatively maintaining the collectibles at the source in a protective environment after the sale of the one collectible or encapsulating the one collectible after its sale, whereby the plurality of collectibles are maintained at their determined conditions, whether they are kept at the source or distributed to the one purchaser (long term storage, col. 17 L 60 - col. 18 L 5).

25. Claim 119. (Woolston teaches a method of managing the sale of collectibles on each of a primary market and a secondary market, each of the collectibles being of a predetermined condition (col. 3 L 61-66), said method comprising the steps of:

- a) offering the collectibles of given conditions for sale on the primary market to potential purchasers (refer to claim 77 a));
- b) facilitating one or more original purchasers to purchase the collectibles of given conditions on the primary market and to offer to a subsequent purchaser at least one purchased collectible of a given condition on the secondary market (col. 12, L 59-66 Re-post the collectible and col. 3 L 25-41); and
- c) facilitating one or more original or subsequent purchasers to offer for sale on the secondary market one or more sold collectibles to one or more original or subsequent purchasers (col. 3 L 25-41 plurality of participants buying and selling collectibles..),

said steps a) - c) being implemented by a programmed computer (analyzed as in claim 77).

Note that limitation "predetermined condition" "the determined condition" are not accorded patentable weight in view of explanation given under the 112 (second) rejection.

Claim 120. a step of determining the predetermined condition of each of the collectibles on sale on the primary market (col. 3 L 61-66).

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121 and 122. further including the step of maintaining the predetermined condition of the collectibles at a source thereof in a benign environment and

wherein the step of maintaining keeps the collectibles offered for sale on the source in the primary and secondary markets at the predetermined condition.

(col. 17 L 66- col. 18 L 5, long term storage facility).

26. Claim 123. Woolston teaches a method of managing a sale of at least one collectible to at least one original purchaser on a primary market, a resale of the one sold collectible to at least one subsequent purchaser on a secondary market, and keeping track of these sale and resale of the one collectible respectively to the one original purchaser and to the one subsequent purchaser on a data base, (refer to analysis of prior claims 77-95) said method comprising the steps of

a) responding to the sale on the primary market of the one sold collectible to the one original purchaser to create a record in the data base for receiving data identifying the one sold collectible and the one original purchaser who owns the one collectible (refer to Fig. 12 , "sold" and "fore sale" database), col. 14 L 57-63);

b) responding to the resale on the secondary market of the one resold collectible to the one subsequent purchaser to create a record in the data base for receiving data identifying the one subsequent purchaser of the one resold collectible; and

c) said steps a) and b) being implemented by a programmed computer (refer to Fig. 12 , sold" and "fore sale" database), col. 14 L 57-63);

Claim 124. wherein the sale of the one collectible includes the offering of collectibles to potential purchasers and receiving orders from the ordering potential purchasers, and said step a) responds to the receiving of each of the orders of potential purchasers to create a record in the data base for receiving data identifying one of the potential purchasers (refer to Fig. 12 , "sold" and "fore sale" database), col. 14 L 57-63);

Claim 125-128. further including a step of maintaining the condition of the one collectible (refer to claim 71 step c) and claims 104-107 analysis).

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Claim 129. further including a step of receiving and responding to a request of the original purchaser to forward the one sold collectible and to encapsulate the one sold collectible, whereby the condition of the forwarded one collectible is maintained (col. 12 L 59-66 and col. 18 L 1-5, long term storage).

Claim 130. further including a step of receiving and responding to a request of the subsequent purchaser to forward the one resold collectible to the subsequent purchaser and to encapsulate the one resold collectible, whereby the condition of the forwarded one collectible is maintained (col. 12 L 56-59, participant elects to ship goods).

**27. Claim 131.** Woolston teaches a method of managing the initial offering for sale of collectibles, the method comprising the steps of:

steps a) -c) have been discussed in claims 71, 73 and 77.  
d) provide each successful purchaser the option to remove its collectibles, in the same predetermined condition, from the protective environment or to continue to keep the collectibles in the protective environment (col. 12 L 55-66);

at least said steps b) - d) being implemented at least in part by a programmed computer (discussed before).

Claim 132. wherein if a successful purchaser opts to remove its collectibles, the collectibles to be removed are disposed in a protective housing (inherent to shipment of collectibles, step 414, Fig. 414).

**28. Claim 133.** Woolston teaches a method of facilitating an issuer of collectibles to manage the sale of at least one collectible from a first purchaser to a second purchaser, said method comprising the steps of

a) - c), e) and f) refer to analysis of claims 110 and 115

d) transferring the ownership of the one collectible from the first purchaser to the second purchaser by deleting the one collectible from the first record and adding the one collectible to the second record (col. 18 L 63 - col. 19 L 15, transferring legal title);

Claim 134. wherein step f) keeps the one collectible in the benign environment during at least steps b), c) and d) (long term storage facility, col. 17 L 2- col. 18 L 5).



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Claim 135. wherein step d) further transfers the ownership of the one sold collectible from the second purchaser to a third purchaser, and step c) further constructs the data base with a third record for the third purchaser transfer of ownership of goods, Fig. 9, col. 18 L 63 - col. 19 L 15, transferring legal title).

Claim 136. wherein step d) further transfers the ownership of the one collectible from the second purchaser to the third purchaser by deleting the one collectible from the second record and adding the one collectible to the third record (transfer of ownership of goods, Fig. 9, col. 18 L 63 - col. 19 L 15, transferring legal title)

29. Claim 137. Woolston teaches a method of facilitating at least one administrator to manage collectible to at least first and second purchasers on a primary market and a secondary market respectively (consignment node acts as the administrator, Fig. 8 and 9 and relevant description) refer to analysis of as discussed above).

Claims 138 and 139. (wherein step f) of maintaining the condition comprises the step benign environment, encapsulating the one collectible in a protective housing (inherent to long term storage as discussed previously).  
of keeping the one collectible in a

Claims 140. wherein there is a second administrator, the second administrator having a secondary market, and there is further included the step of determining whether the protective housing has been tampered with and, if not, facilitating the second administrator to offer the one collectible of the determined condition for sale on the secondary market of the second administrator (col. 3 L 36-41, "trusted means").

Claims 141. wherein the one administrator continues to guarantee the condition of the one collectible as long as the protective housing remains in tact (customary business practice).

30. Claim 49. Woolston teaches a method of operating a server (computer 10, Fig. 1) to receive over a network at least one order for collectibles from at least one of a plurality of potential purchasers, said server being programmed to implement said method comprising the steps of.

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- a) providing at the server a purchaser history database (purchase records, col. 7 L 12-21);
- b) offering for sale an initial placement of a predetermined number of collectibles (col. 5 L 30-41, note that each participant may choose to post new record as per col. 9 L 63-65 and as analyzed in prior claims) ;
- c) receiving from one of the potential purchasers at least one order for a selected number of collectibles (refer to claim 71 b) analysis)
- d) creating in response to the received one order an account in the purchaser history database for its potential purchaser, each account including a record of the purchasing activity of its potential purchaser (inherent to sold database 816, shipped database 820 col. 19 L 36-46).

Claim 50. refer to claim 34 analysis.

Claim 51. refer to claim 48 analysis.

Claims 52. both number of received orders and incrementing number of orders in response to receipt of each order are inherent and necessary steps for maintaining accurate and purchase history for each customer (participant) useful

Claims 54 and 55. refer to claim 43 analysis.

Claims 56. updating record of the purchaser ..data indicative of the of the purchaser's allocated collectibles (refer to Fig. 12 "sold" and 'fore sale" database and col. 14 L 57-63).

Claim 57. receiving bids form purchasers during said secondary offering-determining winning bids (refer to discussion of auction as discussed in col. 5 L 46 - end of col. 6).

**31. Claims 104-109 are rejected under 35 U.S.C. 103(a) as being unpatentable over Woolston (US 5,845,265).**

Woolston fails to explicitly teach specific steps pertaining to maintaining condition of in specific manner recited in claims 104-107. However, over the years, numerous court decisions have analyzed the content of various claim language for meaningful, useful differences in structure or acts

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performed between the claims and the prior art. Some of these decisions have found that certain language adds little, if anything, to the claimed structure or acts and thus do not serve as a limitation on the claims to distinguish over the prior art. For example, language directed to an intended use of dispensing popcorn in a claim for a product did not result in a structural or functional difference with respect to prior art and were held not to serve as a limitation on the claim. See *In re Schreiber*, 44 USPQ2d 1429 (CAFC 1997).

Thus, a limitation on a claim can broadly be thought of then as its ability to *make a meaningful contribution to the definition of the invention in a claim*. In other words, *language that is not functionally interrelated with the useful acts, structure, or properties of the claimed invention will not serve as a limitation*. See *In re Gulack*, 217 USPQ 401 (CAFC 1983), *Ex parte Carver*, 227 USPQ 465 (BdPatApp&Int 1985) and *in re Lowry*, 32 USPQ2d 1031 (CAFC 1994) where language provided certain limitations because of specific relationships required by the claims.

In the instant case "storing the predetermined condition" (claim 103) and "maintains the condition of the collectibles" in any one or more desirable methods as recited (claims 104-109) have no functionally interrelated with the acts of (a) offering ..(b) allocating..(c) creating... and (d) implementing.. of claim 102. In other words, these steps (or acts) are performed regardless of the method applied for storing the collectibles. These limitations of claims 104-109, therefore do not serve as a limitation per *In re Gulack* as stated above.

It would have been obvious to one of ordinary skill in the art at the time of invention to store the predetermine condition of the collectible in the record and further maintaining the condition of the collectibles per recitation of claims 104-109, because these steps do not functionally relate to the steps in the method claim 102 and because the implementation of the steps recited in claims 104-109 do not patentably distinguish the claimed invention of parent claim 102.

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**32. Claims 70, 41, 43, 82-85 and 104-107 are rejected under 35 U.S.C. 103(a) as being unpatentable over Woolston (US 5,845,265) and further in view of admitted prior art.**

**33. Claim 70.** Per the admitted prior art as recited in the Background of the Invention of the instant application, in the course of an initial public offering (IPO) of securities often due to the demand for the security, a purchaser is not allocated the requested number of securities. Rather, the broker, in an attempt to satisfy as many of his/her clients as possible, reduces the number of stocks and allocates them in accordance with the well-known algorithm, i.e., rewarding his/her best clients with the most shares. Alternatively, the securities may be offered on a first come first served bases, an old and well known technique of allocation of goods which are in limited supply.

It is asserted that the problem of allocating available goods or merchandise is analogous to that of allocating securities in an IPO as discussed above. In a situation like this the entity charged with a task of allocating the goods or merchandise where there is more demand then available supply and the entity is faced with a problem of allocating the goods in a manner that may be perceived equitable to all purchasers. It is also asserted that counting the number of good items and comparing it to available number of items and determining as

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claimed are inherent to allocating of the items among the ordering purchasers.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to implement the allocation step in Woolston such that the collectibles are allocated according to teaching of the IPO offering (IPO) on the basis of a predefined algorithm.

Examiner takes official notice that allocating items or collectibles to ordering purchasers on the basis of first come first served, i.e. those purchasers ordering earlier with respect to the starting of the offering. Examiner asserts that this well known business practice amounts to inverse function as recited (allocation on the basis of chronological order of receipt of the orders).

It would have been obvious to one of ordinary skill in the art at the time of the invention to using the algorithm as discussed above and as claimed because it would prompt the ordering purchasers to place orders earlier thereby timely completion of the offering.

It would also be been obvious to one of ordinary skill in the art at the time of the invention to computerize the aforementioned process in order to improve accuracy and efficiency of the computation of allocation of collectibles and would enable larger population to participate in the offering.

per Claims 41 and 43. Woolston fails to teach that if said total number of collectibles exceed the predetermined number of collectibles, said step of allocating reduces the number of

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collectibles to be allocated to selected of the ordering purchasers in accordance with a predefined algorithm which includes direct function of the magnitude of purchaser activity.

Per the admitted prior art as recited in the Background of the Invention of the instant application, in the course of an initial public offering (IPO) of securities often due to the demand for the security, a purchaser is not allocated the requested number of securities. Rather, the broker, in an attempt to satisfy as many of his/her clients as possible, reduces the number of stocks and allocates them in accordance with the well-known algorithm, i.e., rewarding his/her best clients with the most shares. Alternatively, the securities may be offered on a first come first served bases, an old and well known technique of allocation of goods which are in limited supply.

It is asserted that the problem of allocating available goods or merchandise is analogous to that of allocating securities in an IPO as discussed above. In a situation like this the entity charged with a task of allocating the goods or merchandise where there is more demand then available supply and the entity is faced with a problem of allocating the goods in a manner that may be perceived equitable to all purchasers.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to implement the allocation step in Woolston such that the collectibles are allocated according to teaching of the IPO offering (IPO) on the basis of a predefined algorithm which includes direct function of the magnitude of purchaser activity, because it

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would allow the seller to fairly distribute the limited supply of collectibles and reward certain preferred customers who are loyal to the entity offering the collectible.

Claim 82-85. Woolston fails to teach step of allocating counts the number of collectibles for which orders have been placed, .. compares said number of counted collectibles with said predetermined number of collectibles ... if said counted number of collectibles exceeds said predetermined number of collectibles, said step of allocating reduces the number of collectibles to be allocated in accordance with a predefined algorithm, .. said algorithm allocating the number of collectibles to one or more purchasers as a direct function of said purchasing activity of the one purchaser (per analysis of claim allocation requires that the entity allocating counts number of collectibles orders versus the available number, it is obvious that if the number of collectible ordered (i.e. counted) is less than the available amount (the predetermined number) each purchaser receives the ordered amount). On the other hand if the ordered total count is higher than the available (limited) number if collectibles must be allocated in accordance with one or more methods discussed above).

Refer to claims 41 and 43 for further analysis and motivation.

34. Claims 104-107. (exemplary analysis provided for claim 104), Woolston, fails to teach explicitly that step c) maintains the condition of the collectibles by placing a plurality of the collectibles in a benign environment.

However, it is asserted that storing collectibles in appropriate places and environment so as to preserve their originality, prevent deterioration due to environment, maintain appearance as well as safekeeping is extremely well in the art. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the Woolston or to combine the reference teachings in order to implement various methods deemed appropriate for maintaining the condition of the collectible.

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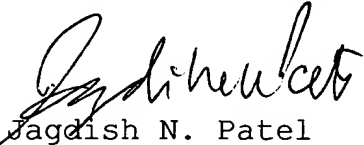
**Conclusion**

35. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jagdish Patel whose telephone number is (703) 308-7837. The examiner can normally be reached Monday-Thursday from 8:00 AM to 6:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1038. The fax number for Formal or Official faxes to Technology Center 3600 is (703) 305-7687. **Draft faxes may be submitted directly to the examiner at (703) 746-5563.**

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113 or 308-1114. Address for hand delivery is 2451 Crystal Drive, Crystal Park 5, 7<sup>th</sup> Floor, Alexandria VA 22202.



Jagdish N. Patel

(Primary Examiner, AU 3624)

4/8/04